

## The complaint

Mr D complains about the way in which HSBC UK Bank Plc handled his claim under Section 75 of the Consumer Credit Act 1974 ("S75"). He raised his claim after windows and doors were poorly installed at his property.

## What happened

In August and December 2023, Mr D made payments for the installation of several windows and doors; he used a supplier which I'll refer to as "T", and he paid around £9,000 using his HSBC credit card. Unfortunately, the doors and windows weren't fitted satisfactorily. Mr D encountered several issues and, in turn, he complained to T. In response, T largely defended its actions and ultimately suggested that Mr D seek an independent inspection and report.

Mr D did just that, and he arranged for an independent firm – an accredited inspector, which I'll call "R" – to review the installation. R's report concluded that some repair work was required; it said some windows had been incorrectly measured, it found that a door needed replacing entirely and a window needed some repair.

In the meantime, Mr D had also contacted HSBC to raise a claim under S75. Initially, HSBC didn't handle things particularly well; it didn't properly explain the chargeback process and it ultimately paid him £200 compensation in recognition of poor administration. After some more back and forth – during which Mr D provided R's report, and quotes from other separate businesses for the repair work – HSBC offered to pay Mr D the cost of the repair work in resolution of his S75 claim. The amount offered was as specified in a repair quote Mr D had obtained – which was £4,292 – and the offer was made in full and final settlement of his S75 claim. Mr D accepted.

A while later, Mr D contacted HSBC again wishing to further pursue his S75 claim for the full amount he'd paid T. Predominantly, this was because R had since clarified that it was very difficult to find any company willing to repair windows they hadn't installed – and that as such, a complete replacement was often the only viable course of action. Mr D said he'd spoken with several companies, all of whom weren't willing to undertake repair work; they'd only carry out a complete re-fit or, if they did repair, had told Mr D his insurances or guarantees would be invalidated. HSBC, in response, pointed Mr D back to its full and final offer which had been accepted. Fundamentally, the bank said it wasn't willing to offer any further payment.

Mr D contacted our Service, and an Investigator here looked at what had happened. Having done so, the Investigator found that Mr D's acceptance of HSBC's full and final offer meant that his S75 claim couldn't be revisited. Reopening the claim wouldn't be fair to HSBC, given the bank had been very clear throughout that the offer it made was indeed in full and final settlement of the claim. The Investigator also said a chargeback wasn't likely to have been successful.

That said, HSBC had paid for the cost of R's report too late; it had always been willing to pay the cost, and Mr D had written to it to reclaim the cost some time before HSBC took any action. So, the Investigator asked HSBC to backdate the payment to Mr D's credit card. They also said that once the account had been reworked, for any period in which the account was in credit, HSBC should pay 8% simple interest on the credit balance for that period.

In response, HSBC agreed – but Mr D maintained that he hadn't been treated fairly; he said he'd found the whole ordeal distressing and that he'd felt pressured to take HSBC's offer of settlement. So, he asked for an Ombudsman's decision and the complaint has now been passed to me to decide.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, at the outset, I'll say that I have a great deal of sympathy for Mr and Mrs D. I'm left in no doubt that what happened here has had a profound effect, and it's certainly unfortunate, to say the least, that they've been left in such a situation through no fault of their own. That said, I'm not going to recommend that HSBC takes any further action. That'll no doubt be disappointing for Mr D; so, I'll explain why.

Broadly speaking, in scenarios like this, there are two main ways a customer can try to recover money paid to a supplier. They can approach their bank or credit provider – like HSBC here – to recover the money through a chargeback, which is a voluntary process operated by the relevant card scheme (like Visa, or Mastercard); or, a customer can ask that their bank or credit provider assess whether they have a valid claim under Section 75 of the Consumer Credit Act 1974. Here, as I understand it, HSBC did consider S75 – but it didn't raise a chargeback. For ease, I'll address both aspects in turn.

### **Section 75**

In certain circumstances, S75 might allow Mr D to recover money paid under a contract with a supplier, like T, from his credit card provider: HSBC. Essentially, Mr D might be able to hold HSBC liable for a "like claim" for breach of contract or misrepresentation by a supplier, in respect of goods or services purchased using his HSBC credit card.

HSBC did look at Mr D's S75 claim here, and it made him an offer too – which he accepted. Consequently, the bank's argument here is a fairly straightforward one: Mr D accepted an offer made in full and final settlement of his S75 claim; so, the claim is resolved, and Mr D cannot revive it. On the other hand, Mr D argues that he felt compelled to accept that offer, and that R changed its findings – after he'd provided information to HSBC and accepted its offer – and said a full replacement was likely the only course of action. He's also unhappy that HSBC didn't accept one quote he'd provided, believing it to not be impartial. So, ultimately, he'd like the full cost of what he paid T.

To begin, I've looked at the exchanges between Mr D and HSBC; a full and final settlement offer was indeed made by the bank, and accepted by Mr D. For completeness, I'll clarify what the settlement form included:

“[Table setting out both payments from Mr D's credit card]

*I, [Mr D], accept the sum of £4,292 in full and final settlement of any claims past, present and future, howsoever and whensoever arising, that I have against HSBC*

*Bank plc arising out of, or in any way connected with the above transaction..."*

*"...By accepting this offer in full and final settlement I agree that if I subsequently initiate, become the subject of, or are otherwise involved in any claims, demands or proceedings related to or in any way connected to this contract, I shall not be entitled to make any demands or claims, or seek a contribution of any kind, from HSBC..."*

In my view, that's very clear about the terms of HSBC's offer; effectively it's to put an end to Mr D's S75 claim in respect of the payments he made to T. Mr D clearly signed it too, which I know he doesn't dispute. So, on the face of it, I can say the terms of the offer were clear and it put an end to Mr D's S75 claim because he accepted it.

Mr D, though, indicates that he felt pressured into agreeing to the offer – given it was the only way he could get on with repairs. He's also told us about his autism, and that he found the whole matter extremely upsetting; I've absolutely no reason to doubt that and, as I've said above, none of what happened here is the fault of Mr D, so I can surely understand why the matter would've been distressing for him (and indeed his wife, Mrs D). That said, my role is to look at things objectively, remaining impartial, and broadly speaking, I don't see anything from HSBC which could reasonably be considered undue pressure.

I accept that the wording around the offer could be seen as direct, or even statutory; and I understand entirely, of course, why Mr D felt under pressure to get repairs carried out quickly given the obvious issues with ill-fitting, or broken, windows and doors. But overall, I can't fairly say that I think any undue pressure came from HSBC.

I know Mr D was aggrieved at HSBC's decision not to accept one quote – from a window fitter – and that it required Mr D obtain a quote from a repairer. That's understandable, but it's also true to say that the independent expert report, from R, set out that remedial repairs were what was required, *not* a full refit. On balance, I don't think it was inherently unreasonable of HSBC to have relied upon that; nor for it to have made an offer based upon the information Mr D had supplied about repair work.

It's true R's report didn't explicitly state, at least initially, that repair work might invalidate guarantees; or that companies simply might not take on the repair work, preferring instead to carry out a full re-fit. That doesn't mean, though, that HSBC handled things unfairly. Mr D had, after all, obtained a quote from a company willing to carry out the repairs; the bank then made a full and final settlement offer to cover that cost based upon the information Mr D had supplied to it. That offer was accepted which, in turn, brought about the closure of his claim. Fundamentally, accepting a full and final settlement extinguishes the "like claim" Mr D brought to HSBC; and in those circumstances, my view is that it would not be fair for HSBC to pursue things further.

### Chargeback

The chargeback process provides a way for the card issuer – that's Mr D's bank, HSBC – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased. The process is mediated by the card scheme whose logo appears on the card in question – for Mr D, I understand this to be Visa. Card schemes set various rules covering things such as what sort of scenarios are eligible for a

chargeback, the kind of evidence required, and how long a person has to submit one.

It is, generally speaking, good practice for a card issuer to attempt a chargeback where the right exists and there's a reasonable prospect of success. That said, they're not guaranteed to be successful, and a consumer isn't able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – generally known as the 'merchant', which would be T here – can resist a chargeback attempt. If neither the consumer nor the merchant concedes then, ultimately, the card scheme itself can be asked to rule on the dispute in a process called arbitration.

Here, as I understand it, HSBC didn't raise a chargeback when it could've done. The bank acknowledges this, and I know it paid Mr D some compensation for the inconvenience. Of course, I don't know what the outcome would've been had a chargeback been raised; it's clear from its correspondence with Mr D that T was defending its actions but also proposing next steps to conclude the dispute.

The scheme requires that Mr D attempt to resolve the issue with the merchant, T, first – and such resolution attempts could have been viewed as still ongoing at the time a chargeback could've been raised; for example, T suggested obtaining R's report, and it had offered to visit itself to inspect works. There's sufficient doubt then, I think, that a chargeback would've been successful – or indeed, as our Investigator said, that it would've recovered more than what was ultimately paid to Mr D.

### Overall

To sum up, I know this won't be the answer Mr D is hoping for. I am sorry to disappoint him, and to hear of the struggles he and Mrs D have faced as a result of what happened here. That said, for the reasons I've explained, I don't think HSBC needs to revisit his S75 claim; in the circumstances, I don't think it would be fair or reasonable of me to require it do so.

I do, though, note that HSBC has agreed with our Investigator's recommendation to rework Mr D's credit card account and backdate the payment it made for R's report – to 16 February 2024, when Mr D contacted the bank about it – as well as to pay 8% simple interest for any period during which the account was in credit. So, I won't interfere with that and that's what HSBC should do if Mr D agrees with my decision here.

### **My final decision**

My final decision is that I uphold Mr D's complaint. HSBC UK Bank Plc should put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 29 October 2025.

Simon Louth

**Ombudsman**